

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2011-____-G

In the Matter Of

Notice of Election of Piedmont Natural Gas
Company, Inc. for Application of the Natural
Gas Rate Stabilization Act to its Rates and
Charges

**NOTICE OF FILING OF QUARTERLY
MONITORING REPORT AND
PROPOSED RATE CHANGES**

Piedmont Natural Gas Company, Inc. ("Piedmont"), through counsel and pursuant to Sections 58-5-430 and 58-5-440 of the South Carolina Natural Gas Rate Stabilization Act ("Act"), hereby submits (1) its quarterly monitoring report for the twelve-month period ending March 31, 2011, and (2) the required revenue deficiency calculations and proposed changes to its tariff rates necessary to permit Piedmont the opportunity to earn the rate of return on common equity established in its last general rate case as specified in Section 58-5-420(1). Piedmont requests that the Public Service Commission of South Carolina ("Commission") review and accept the attached documents consistent with Sections 58-5-430 and 58-5-440 and issue an initial order approving the proposed rate changes set forth in this filing on or before October 15, 2011 in conformance with the procedures set forth in Section 58-5-455 of the Act.

In support of this filing, Piedmont respectfully shows unto the Commission as follows:

1. Any notices or other communications with respect to this matter should be sent to:

Jane Lewis-Raymond
Vice President and General Counsel
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
Telephone: (704) 731-4261

And

Scott M. Tyler
James H. Jeffries IV
Moore & Van Allen PLLC
Bank of America Corporate Center
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202-4003
Telephone: (704) 331-2463

2. On April 25, 2005, Piedmont provided notice to the Commission of its election of the application of the terms of the Act to Piedmont's rates and charges for gas distribution services provided within the state of South Carolina. In conjunction with its election and as required by Sections 58-5-410 and 58-5-420, Piedmont requested that the Commission make findings and establish ongoing procedures as required to make prospective adjustments to Piedmont's base rates utilizing the rates, charges, revenues, expenses, capital structure, returns, and other matters established in Piedmont's most recent general rate proceeding in Docket No. 2002-63-G.

3. Consistent with its prior election for application of the Act to its rates and charges, and pursuant to the requirements of Section 58-5-430 of the Act, Piedmont has attached hereto various schedules constituting its quarterly monitoring report to the Commission for the twelve-month period ended March 31, 2011. In conformance with the requirements of Section 58-5-440 of the Act, Piedmont has also included in the schedules attached hereto the calculated revenue deficiency resulting from Piedmont's current rates. This deficiency results in a return on common equity under existing rates that is approximately 90 basis points below that approved in Piedmont's last general rate case. The attached schedules also reflect proposed rate revisions, calculated in conformance with the rate allocation principles approved in Piedmont's last general rate case, needed to return Piedmont's rate of return on common equity to the midpoint of the range specified by Section 58-5-420(1).

4. The Schedules attached hereto and incorporated herein by reference consist of the following:

- (1) Present Rate Schedules are incorporated herein by reference as filed in GCRM-130 effective as of the first billing cycle in March, 2011;
- (2) Present and Proposed Rate Schedules;
- (3) Gas Plant at Original Cost;
- (4) Depreciation Schedule;
- (5) Materials and Supplies;
- (6) Cash Working Capital;
- (7) Net Operating Income and Return;
- (8) Pro Forma Revenues;
- (9) Proposed Revenues;
- (10) WNA Factors.

5. The *pro forma* revenue calculations shown on Schedule (7) indicate that \$1,736,739 in additional margin is required to permit Piedmont the opportunity to earn a rate of return on equity equal to the approved rate of return on equity adopted in Docket No. 2002-63-G, Piedmont's last general rate case.

6. Based upon the calculations provided in Schedules (3)-(10), Piedmont proposes the changes to its tariff rates reflected in Schedule (2) hereto.

7. Consistent with the requirements of Sections 58-5-430 and 58-5-455, Piedmont is concurrently serving copies of this filing on the Office of Regulatory Staff, all parties of record to this proceeding and any other interested party that has requested in writing to receive such filings.

WHEREFORE, Piedmont Natural Gas Company, Inc. respectfully requests that the Commission accept and review Piedmont's quarterly monitoring report for the twelve-month period ended March 31, 2011 and issue an Initial Order approving Piedmont's proposed rate adjustments on or before October 15, 2011.

Respectfully submitted, this the 15th day of June, 2011.

PIEDMONT NATURAL GAS COMPANY, INC.

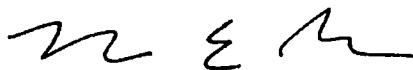
s/ Scott M. Tyler
Scott M. Tyler

OF COUNSEL:

Moore & Van Allen PLLC
Bank of America Corporate Center
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202-4003
(704) 331-1079

CERTIFICATION

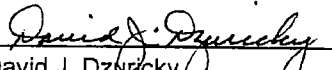
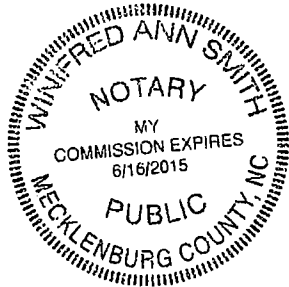
I, Thomas E. Skains and David J. Dzuricky, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Thomas E. Skains
President and CEO

6/7/11

Date Signed



David J. Dzuricky
Senior Vice President and CFO

6/7/11

Date Signed

Subscribed and Sworn to before me this

7th day of June, 2010.

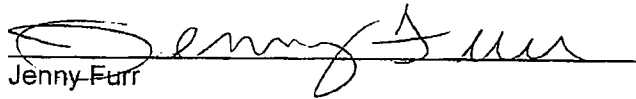

Notary Public

My Commission Expires 6/16/2015.

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

VERIFICATION

Jenny Furr, being duly sworn, deposes and says that she is Manager of Regulatory Reporting for Piedmont Natural Gas Company, Inc., that as such, she has read the foregoing Petition and knows the contents thereof; that the same are true of her own knowledge except as to those matters stated on information and belief and as to those she believes them to be true.

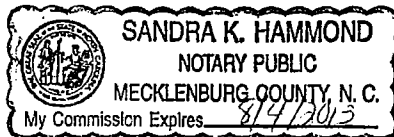

Jenny Furr

Mecklenburg County, North Carolina
Signed and sworn to before me this day by Jenny Furr

Date: June 14, 2011 
Sandra K. Hammond, Notary Public

(Official Seal)

My commission expires: August 4, 2013



Piedmont Natural Gas
Index to Schedules
Period Ended March 31, 2011

SCHEDULE 1 -	Present rate schedules are incorporated herein by reference as filed in GCRM 130 effective as of the first billing cycle in March, 2011.
SCHEDULE 2 -	Present and Proposed Rate Schedules.
SCHEDULE 3 -	Gas Plant at Original Cost.
SCHEDULE 4 -	Depreciation Schedule.
SCHEDULE 5-	Materials and Supplies.
SCHEDULE 6 -	Cash Working Capital.
SCHEDULE 7 -	Net Operating Income and Return.
SCHEDULE 8 -	Pro Forma Revenues.
SCHEDULE 9 -	Proposed Revenues.
SCHEDULE 10 -	WNA Factors.

SCHEDULE 1

**(Incorporated herein by reference as filed in GCRM 130
effective as of the first billing cycle in March, 2011)**

SCHEDULE 2

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2011

South Carolina
Rate Schedules:

		<u>Current</u> <u>Billing Rates</u>	<u>Change</u>	<u>Proposed</u> <u>Billing Rates</u>
201	Residential Service - Value			
	Monthly Charge-winter	10.00	-	10.00
	Monthly Charge-summer	8.00	-	8.00
	Winter (Nov.-Mar.)	0.87410	0.01629	0.89039
	Summer (Apr.-Oct.)	0.82536	0.01441	0.83977
221	Residential Service - Standard			
	Monthly Charge-winter	10.00	-	10.00
	Monthly Charge-summer	8.00	-	8.00
	Winter (Nov.-Mar.)	1.08094	0.01665	1.09759
	Summer (Apr.-Oct.)	1.08376	0.01487	1.09863
205	Outdoor Gas Light Service			
	Monthly Charge	\$15.00	-	15.00
202	Small General Service-Standard			
	Monthly Charge	22.00	-	22.00
	Winter (Nov.-Mar.)	0.98054	0.01182	0.99236
	Summer (Apr.-Oct.)	0.94375	0.01139	0.95514
232	Small General Service-Value			
	Monthly Charge	22.00	-	22.00
	Winter (Nov.-Mar.)			
	First 2,000	0.91787	0.01169	0.92956
	Over 2,000	0.88673	0.01160	0.89833
	Summer (Apr.-Oct.)			
	First 2,000	0.81792	0.01111	0.82903
	Over 2,000	0.78950	0.01108	0.80058
252	Medium General Service-Standard			
	Monthly Charge	75.00	-	75.00
	Winter (Nov.-Mar.)	0.95512	0.01175	0.96687
	Summer (Apr.-Oct.)	0.91077	0.01138	0.92215
262	Medium General Service-Value			
	Monthly Charge	75.00	-	75.00
	Winter (Nov.-Mar.)			
	First 5,000	0.88343	0.01162	0.89505
	Over 5,000	0.84776	0.01155	0.85931
	Summer (Apr.-Oct.)			
	First 5,000	0.78673	0.01105	0.79778
	Over 5,000	0.76089	0.01100	0.77189
242	Small General Service-Motor Fuel			
	Monthly Charge	22.00	-	22.00
	Winter (Nov.-Mar.)	0.69074	0.00434	0.69508
	Summer (Apr.-Oct.)	0.65626	0.00644	0.66270

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2011

South Carolina
Rate Schedules:

	<u>Current Billing Rates</u>	<u>Change</u>	<u>Proposed Billing Rates</u>
203 Large General Sales Service			
Monthly Charge	\$250.00	-	250.00
Billing Demand (therms)	1.79812	-	1.79812
Winter (Nov.-Mar.)			
First 15,000	0.69886	0.00051	0.69937
Next 15,000	0.62818	0.00044	0.62862
Next 75,000	0.58841	0.00104	0.58945
Next 165,000	0.51641	-	0.51641
Next 330,000	0.46109	-	0.46109
Over 600,000	0.43252	-	0.43252
Summer (Apr.-Oct.)			
First 15,000	0.60786	0.00027	0.60813
Next 15,000	0.55896	0.00018	0.55914
Next 75,000	0.56239	0.00052	0.56291
Next 165,000	0.49784	-	0.49784
Next 330,000	0.45609	-	0.45609
Over 600,000	0.43252	-	0.43252
204 Interruptible Sales Service			
Monthly Charge	\$250.00	-	250.00
Winter (Nov.-Mar.)			
First 15,000	0.77526	0.00099	0.77625
Next 15,000	0.69834	0.00099	0.69933
Next 75,000	0.64091	0.00145	0.64236
Next 165,000	0.66090	0.00207	0.66297
Next 330,000	0.55953	-	0.55953
Over 600,000	0.47252	-	0.47252
Summer (Apr.-Oct.)			
First 15,000	0.62238	0.00034	0.62272
Next 15,000	0.57289	0.00034	0.57323
Next 75,000	0.54451	0.00050	0.54501
Next 165,000	0.52472	0.00202	0.52674
Next 330,000	0.47109	-	0.47109
Over 600,000	0.44252	-	0.44252

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2011

South Carolina
Rate Schedules:

	<u>Current Billing Rates</u>	<u>Change</u>	<u>Proposed Billing Rates</u>
213 Large General Transportation Service			
Monthly Charge	\$250.00	-	250.00
Standby Demand	1.20161	-	1.20161
Billing Demand (therms)	0.59651	-	0.59651
Winter (Nov.-Mar.)			
First 15,000	0.24737	0.00008	0.24745
Next 15,000	0.18066	0.00006	0.18072
Next 75,000	0.13419	0.00006	0.13425
Next 165,000	0.09100	0.00003	0.09103
Next 330,000	0.03609	0.00025	0.03634
Over 600,000	0.00752	-	0.00752
Summer (Apr.-Oct.)			
First 15,000	0.17585	0.00014	0.17599
Next 15,000	0.12754	0.00013	0.12767
Next 75,000	0.10166	0.00017	0.10183
Next 165,000	0.06912	0.00005	0.06917
Next 330,000	0.03109	-	0.03109
Over 600,000	0.00752	-	0.00752
214 Interruptible Transportation Service			
Monthly Charge	\$250.00	-	250.00
Winter (Nov.-Mar.)			
First 15,000	0.24711	0.00006	0.24717
Next 15,000	0.18030	0.00004	0.18034
Next 75,000	0.13197	0.00002	0.13199
Next 165,000	0.08390	0.00001	0.08391
Next 330,000	0.03698	-	0.03698
Over 600,000	0.00752	-	0.00752
Summer (Apr.-Oct.)			
First 15,000	0.17567	0.00011	0.17578
Next 15,000	0.12673	0.00008	0.12681
Next 75,000	0.09654	0.00005	0.09659
Next 165,000	0.06622	0.00003	0.06625
Next 330,000	0.05137	0.00002	0.05139
Over 600,000	0.00752	-	0.00752

SCHEDULE 3

Schedule 3

Piedmont Natural Gas Company
Original Cost of Property Used and Useful
in Public Service in South Carolina
March 31, 2011

<u>Line No.</u>	<u>Title of Account</u>	
1	Intangible Plant	\$146,199
2	Production Plant	28,042
3	Local Storage Plant	7,282,189
4	Transmission Plant	40,829,961
5	Distribution Plant	314,751,367
6	General Plant	<u>33,309,380</u>
7	Total	<u><u>\$396,347,137</u></u>

SCHEDULE 4

Piedmont Natural Gas Company
 South Carolina Operations
 Accumulated Depreciation, Depreciation Policy and Rates
 March 31, 2011

Accumulated Depreciation

Per books as of March 31, 2011

\$168,079,845

Depreciation Policy

Piedmont computes depreciation expense monthly using the straight-line method applied to end-of-the-month depreciable costs.

The Company began booking depreciation expense at the depreciation rates recommended in a depreciation study performed in 2005. These depreciation rates were approved as a result of the Commission's findings in Docket No. 2005-125-G, Order No. 2005-567.

Piedmont allocates depreciation expense on the LNG plant located in North Carolina between South Carolina and North Carolina on the basis of design-day demand during the test period. We allocate depreciation expense on other jointly-used property between South Carolina, North Carolina and Tennessee or between South Carolina and North Carolina only, on the basis of net plant depending upon the actual usage of the property.

Piedmont computes depreciation expense on transportation equipment over estimated useful lives after deducting from the original cost an estimated salvage value of 25% for passenger cars and 20% for trucks and heavy equipment.

Depreciation Rates

Based on plant in service as of March 31, 2011, the current composite depreciation rates are:

Intangible Plant	0.00%
Production Plant	2.62%
Local Storage Plant	1.93%
Transmission Plant	2.10%
Distribution Plant	2.99%
General Plant	7.74%

SCHEDULE 5

Schedule 5

Piedmont Natural Gas Company
South Carolina Operations
Average Materials and Supplies
March 31, 2011

Line
No.

1	Operating and Construction Supplies (a)	\$ 649,121
2	Natural Gas Stored (b)	<u>14,087,471</u>
3	Total	<u><u>\$14,736,592</u></u>

(a) Includes Materials Distribution Center inventory allocated to South Carolina on the ratio of South Carolina net plant before joint property to total South Carolina and North Carolina net plant before joint property as of October 31, 2010 (13.92% to SC).

(b) Allocated to South Carolina on the basis of design day in South Carolina and North Carolina. (16.01% to SC).

SCHEDULE 6

Piedmont Natural Gas Company
 South Carolina Operations
 Cash Working Capital
 March 31, 2011

Line
No.

1	One-Eighth (12.5%) of Operations and Maintenance Expenses	\$ 3,318,295
2	Cash Working Funds (a)	30,981
3	Prepayments (b)	334,092
4	Average Tax Accruals (deduct)	<u>(2,942,920)</u>
5	Total	<u><u>\$740,448</u></u>

(a) A portion allocated to South Carolina on the ratio of South Carolina net plant before joint property to total net plant before joint property as of March 31, 2011 (11.28% to SC) and a portion on the ratio of South Carolina net plant before joint property to total South Carolina and North Carolina net plant before joint property (13.59% to SC).

(b) Allocated to South Carolina on the ratio of South Carolina net plant before joint property to total net plant before joint property as of March 31, 2011 (11.28% to SC).

SCHEDULE 7

Piedmont Natural Gas Company South Carolina Operations Updated Net Operating Income and Rate of Return For the Twelve Months Ended March 31, 2011						
	(1) Per Books	(2) Accounting and Pro Forma Adjustments	(3) After Accounting and Pro Forma Adjustments	(4) Adjustments for Proposed Margin	(5) Adjustments for Demand and Commodity Cost	(6) After Adjustments for Proposed Rates
<u>Operating Revenues</u>						
1 Sale and Transportation of Gas	\$156,169,231	\$ (6,162,227)	\$150,007,004	\$ 1,736,739	(11) \$40,732	(17) \$151,784,475
2 Other Operating Revenues	<u>979,298</u>	<u>0</u>	<u>979,298</u>			<u>979,298</u>
3 Total Operating Revenues	<u>\$157,148,529</u>	<u>\$ (6,162,227)</u>	<u>\$150,986,302</u>	<u>\$ 1,736,739</u>	<u>\$ 40,732</u>	<u>\$152,763,773</u>
<u>Operating Expenses</u>						
4 Cost of Gas	\$ 88,016,349	\$ (9,350,559)	\$ 78,665,790	\$ -	\$ 40,419	(18) \$ 78,706,209
5 Operations and Maintenance	26,546,358	106,919	26,653,277	8,254	(12) 192	(19) 26,661,723
6 Depreciation	12,063,484	786,972	12,850,456	-	-	12,850,456
7 General Taxes	6,299,978	(16,003)	6,283,975	5,185	(13) 121	(20) 6,289,281
8 State Income Taxes	1,218,795	(114,359)	1,104,436	86,165	(14) -	1,190,601
9 Federal Income Taxes	5,783,404	1,538,296	7,321,700	572,997	(15) -	7,894,697
10 Amortization of Investment Tax Credits	<u>(44,706)</u>	<u>-</u>	<u>(44,706)</u>	<u>-</u>	<u>-</u>	<u>(44,706)</u>
11 Total Operating Expenses	<u>\$139,883,662</u>	<u>\$ (7,048,734)</u>	<u>\$132,834,928</u>	<u>\$ 672,602</u>	<u>\$ 40,732</u>	<u>\$133,548,261</u>
12 Net Operating Income	\$ 17,264,867	\$ 886,507	\$ 18,151,374	\$ 1,064,137	\$ -	\$ 19,215,512
13 Interest on Customers' Deposits	(145,207)	0	(145,207)	0	0	(145,207)
14 Amortization of Debt Redemption Premium	0	0	0	0	0	0
15 Allowance for Funds Used During Construction	129,912	0	129,912	129,912	129,912	129,912
16 Customer Growth	<u>15,528</u>	<u>804</u>	<u>16,332</u>	<u>965</u>	<u>(16)</u>	<u>17,297</u>
17 Net Operating Income for Return	<u>\$ 17,265,100</u>	<u>\$ 887,311</u>	<u>\$ 18,152,411</u>	<u>\$ 1,065,102</u>	<u>\$ -</u>	<u>\$ 19,217,514</u>
<u>Original Cost Rate Base</u>						
18 Plant in Service	\$396,347,137		\$396,347,137			\$396,347,137
19 Accumulated Depreciation	<u>(168,079,845)</u>		<u>(168,079,845)</u>			<u>(168,079,845)</u>
20 Net Plant in Service	\$228,267,292		\$228,267,292			\$228,267,292
Add:						
21 Construction Work in Progress	3,995,469	-	3,995,469			3,995,469
22 Materials and Supplies	14,736,592		14,736,592			14,736,592
23 Cash Working Capital	740,448	(17,616)	722,832			722,832
Deduct:						
24 Customers' Advances	-		-			-
25 Customers' Deposits	4,455,698		4,455,698			4,455,698
26 Accumulated Deferred Income Taxes	50,783,136		50,783,136			50,783,136
27 Unclaimed Funds	<u>99,175</u>		<u>99,175</u>			<u>99,175</u>
28 Original Cost Rate Base	<u>\$192,401,792</u>	<u>\$ (17,616)</u>	<u>\$192,384,176</u>			<u>\$192,384,176</u>
<u>Rate of Return</u>						
29 On Original Cost Rate Base	<u>8.97%</u>		<u>9.44%</u>			<u>9.99%</u>

Piedmont Natural Gas Company
South Carolina Operations
Return on Common Equity and Original
Cost Net Investment
For the Twelve Months Ended March 31, 2011

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Per Books	Accounting and Pro Forma Adjustments	Adjusted Capitalization	Ratio	Cost Net Investment	Embedded Cost	Overall Cost Rate	Net Operating Income
1 Long-Term Debt	\$ 663,595,690	\$ 1,857,060	\$ 665,452,750	38.99%	\$ 75,013,336	5.9040%	2.30%	\$4,428,787
2 Common Equity	1,041,211,503	-	\$ 1,041,211,503	61.01%	117,370,840	11.6900%	7.13%	13,723,624
3 Total	<u>\$ 1,704,807,193</u>	<u>\$ 1,857,060</u>	<u>\$ 1,706,664,253</u>	<u>100.00%</u>	<u>\$192,384,176</u>		<u>9.44%</u>	<u>\$18,152,411</u>
After Accounting and Pro Forma Adjustments								
After Adjustments for Proposed Rates								
				(9)	(10)	(11)		
				Embedded Cost %	Overall Cost Rate %	Net Operating Income		
				5.90%	2.30%	\$ 4,428,787		
				12.60%	7.69%	14,788,726		
					<u>9.99%</u>	<u>\$ 19,217,513</u>		

Piedmont Natural Gas Company
South Carolina Operations
Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2011

Schedule 7
Page 3 of 5

Line
No.

1	<u>Operating Revenues - Sale and Transportation of Gas</u> To decrease revenues to the going-level basis.	<u>\$ (6,162,227)</u>
2	<u>Cost of Gas</u> To decrease cost of gas to the going-level basis.	<u>\$ (9,350,559)</u>
3	<u>Operations and Maintenance Expenses</u>	
A	To decrease payroll costs to the going-level basis.	\$ (444,828)
B	To decrease expenses for the salary and payroll investment plans.	(28,169)
C	To increase expenses for pension costs.	42,817
D	To decrease expenses for the provision for uncollectible accounts to reflect actual net write-offs over a three-year period.	(17,235)
E	To decrease expenses for allocations to non-utility activities.	(22,007)
F	To increase expenses for the long-term incentive plan.	56,823
G	To decrease expenses for the short-term incentive plan.	(133,980)
H	To decrease expenses for the MVP incentive plan.	(13,341)
I	To increase expenses for group insurance for projected costs.	49,427
J	To increase expenses for Piedmont Town Center lease.	3,210
K	To increase expenses for Piedmont Town Center CAM Expenses.	3,137
L	To increase expense for amortization of early retirement incentive.	151,229
M	To decrease expenses for the South Carolina assessment fee.	(5,935)
N	To decrease expenses for non-allowables for ratemaking purposes.	(150,452)
O	To increase expense for GTI Expenses	150,000
P	To increase expnses for amortization of SC Environmental Expense	466,223
	Total	<u>\$ 106,919</u>
4	<u>Depreciation Expense</u> To increase depreciation expense to the going-level basis using the most current depreciation study rates.	<u>\$ 786,972</u>
5	<u>General Taxes</u>	
A	To increase property taxes to the going-level basis.	\$ 77,997
B	To decrease payroll taxes to the going-level basis.	(94,000)
C	To decrease franchise taxes to the going-level basis.	0
	Total	<u>\$ (16,003)</u>

Piedmont Natural Gas Company
South Carolina Operations
Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2011

Schedule 7
Page 4 of 5

Line
No.

6	<u>State Income Taxes</u> To decrease state income taxes (rate of 5%) to reflect the impact on income after accounting and pro forma adjustments.	<u>\$ (114,359)</u>
7	<u>Federal Income Taxes</u> To increase federal income taxes (rate of 35%) to reflect the impact on income after accounting and pro forma adjustments.	<u>\$ 1,538,296</u>
8	<u>Amortization of Debt Redemption Premium</u> To increase net operating income for amortization of debt redemption premium.	<u>\$ -</u>
9	<u>Customer Growth</u> To increase net operating income to reflect anticipated customer growth (rate of .4500%) following the adjustments to operating revenues and expenses.	<u>\$ 804</u>
10	<u>Cash Working Capital</u> To decrease cash working capital following the pro forma adjustments to operations and maintenance expenses (rate of 12.5%).	<u>\$ (17,616)</u>
11	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenue requirement for the sale and transportation of gas for the proposed margin increase.	<u>\$ 1,736,739</u>
12	<u>Operations and Maintenance Expenses</u>	
A	To increase the provision for uncollectible accounts (rate of .28829%) following the adjustment to operating revenues.	\$ 5,007
B	Adjust Gross Receipts tax for proposed margin increase (rate of .186985%)	<u>3,247</u>
		<u>\$ 8,254</u>
13	<u>General Taxes</u> Adjust Franchise tax(for the utility license fee) for proposed margin increase (rate of .3%)	<u>\$ 5,185</u>

Piedmont Natural Gas Company
South Carolina Operations
Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2011

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Line
No.

14	<u>State Income Taxes</u> To increase state income taxes (rate of 5%) to reflect the impact on income from the adjustments to operating revenues and expenses.	<u>\$ 86,165</u>
15	<u>Federal Income Taxes</u> To increase federal income taxes (rate of 35%) to reflect the impact on income from the adjustments to operating revenues, expenses and state income taxes.	<u>\$ 572,997</u>
16	<u>Customer Growth</u> To increase net operating income to reflect anticipated customer growth (rate of .0907%) following the adjustments to operating revenues and expenses.	<u>\$ 965</u>
17	<u>Operating Revenues - Sale and Transportation of Gas</u> To decrease revenue requirement for the sale and transportation of gas associated with the demand and commodity cost over-recovery.	<u>\$40,732</u>
18	<u>Cost of Gas</u>	
A	To decrease cost of gas for the demand cost over-recovery.	40,419
B	To decrease cost of gas for the commodity cost over-recovery.	0
		<u>\$40,419</u>
19	<u>Operations and Maintenance Expenses</u>	
A	To decrease the provision for uncollectible accounts (rate of .28829%) following the adjustment to operating revenues.	\$ 117
B	To decrease the SC Assessment fee (rate of .186985%) following the adjustment to operating revenues.	<u>76</u>
	Total	<u>\$ 192</u>
20	<u>General Taxes</u> Adjust Franchise tax(License Fee) for proposed margin increase (rate of .3%)	<u>\$ 121</u>

SCHEDULE 8

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2011

PRO FORMA REVENUE CALCULATIONS

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (3)	Proforma Bills (4)	Current Margin Rate (5)	Current Demand Rate (6)	Current Commodity Rate (7)	Total Current Rates (8)	Total Proforma Revenue (9)
Residential Service - Value 201									
Bills - Winter	190,534			190,534	\$10.00			\$10.00	\$1,905,340
Bills - Summer	270,861			270,861	\$8.00			\$8.00	\$2,166,888
DTs - Winter	2,263,183	(78,617)	2,184,566		\$4.1939	\$0.2219	\$4.3252	\$8.7410	\$19,095,291
DTs - Summer	735,364	46,053	781,417		\$3.7062	\$0.2222	\$4.3252	\$8.2536	\$6,449,503
Residential Service - Standard 221									
Bills - Winter	399,069			399,069	\$10.00			\$10.00	\$3,990,690
Bills - Summer	542,511			542,511	\$8.00			\$8.00	\$4,340,088
DTs - Winter	3,543,758	(149,520)	3,394,238		\$4.1939	\$2.2903	\$4.3252	\$10.8094	\$36,689,676
DTs - Summer	679,227	86,621	765,848		\$3.7062	\$2.8062	\$4.3252	\$10.8376	\$8,299,954
TOTAL RESIDENTIAL									
Bills	1,402,975			1,402,975					
DTs	7,221,532	(95,463)	7,126,069						\$82,937,430
Small General Service - Standard 202									
Bills	116,590			116,590	\$22.00			\$22.00	\$2,564,980
DTs - Winter	1,749,447	(56,050)	1,693,397		\$3.3760	\$2.1042	\$4.3252	\$9.8054	\$16,604,435
DTs - Summer	274,312	24,227	298,539		\$3.2554	\$1.8569	\$4.3252	\$9.4375	\$2,817,462
Small General Service - Value 232									
Bills	48,466			48,466	\$22.00			\$22.00	\$1,066,252
First 200	1,056,170	(13,458)	1,042,712		\$3.3760	\$1.4775	\$4.3252	\$9.1787	\$9,570,741
Over 200	294,449	(3,752)	290,697		\$3.3760	\$1.1661	\$4.3252	\$8.8673	\$2,577,698
DTs - Winter	1,350,619	(17,210)	1,333,409						
First 200	1,041,720	5,816	1,047,536		\$3.2554	\$0.5986	\$4.3252	\$8.1792	\$8,568,006
Over 200	101,251	565	101,816		\$3.2554	\$0.3144	\$4.3252	\$7.8950	\$803,837
DTs - Summer	1,142,971	6,381	1,149,352						
Medium General Service - Standard 252									
Bills	146			146	\$75.00			\$75.00	\$10,950
DTs - Winter	88,885	(3,264)	85,621		\$3.3760	\$1.8500	\$4.3252	\$9.5512	\$817,783
DTs - Summer	9,439	6,644	16,083		\$3.2554	\$1.5271	\$4.3252	\$9.1077	\$146,479
Medium General Service - Value 262									
Bills	924			924	\$75.00			\$75.00	\$69,300
First 500	176,153	(2,729)	173,424		\$3.3760	\$1.1331	\$4.3252	\$8.8343	\$1,532,080
Over 500	231,667	(3,589)	228,078		\$3.3760	\$0.7764	\$4.3252	\$8.4776	\$1,933,554
DTs - Winter	407,820	(6,318)	401,502						
First 500	226,496	2,225	228,721		\$3.2554	\$0.2867	\$4.3252	\$7.8673	\$1,799,417
Over 500	186,951	1,836	188,787		\$3.2554	\$0.0283	\$4.3252	\$7.6089	\$1,436,461
DTs - Summer	413,447	4,061	417,508						

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2011

PRO FORMA REVENUE CALCULATIONS

(dekatherms)	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (3)	Proforma Bills (4)	Current Margin Rate (5)	Current Demand Rate (6)	Current Commodity Rate (7)	Total Current Rates (8)	Total Proforma Revenue (9)
Rate Schedule									
Small General Service - Motor Fuel 242									
Bills	22			22	\$22.00			\$22.00	\$484
DTs - Winter	1,672		1,672		\$1.2058	\$1.3764	\$4.3252	\$6.9074	\$11,549
DTs - Summer	371		371		\$1.2058	\$1.0316	\$4.3252	\$6.5626	\$2,435
<u>TOTAL COMMERCIAL</u>									
Bills	166,148			166,148					
DTs	5,438,983	(41,529)	5,397,454						\$52,333,903
Large General Service - Sales 203									
Bills	104			104	\$250.00			\$250.00	\$26,000
Demand DTs	14,293	0		14,293	\$5.0000	\$12.9812	\$0.0000	\$17.9812	\$257,005
First 1,500	61,725	0	61,725		\$1.8569	\$0.8065	\$4.3252	\$6.9886	\$431,371
Next 1,500	35,096	0	35,096		\$1.2998	\$0.6568	\$4.3252	\$6.2818	\$220,466
Next 7,500	10,981	0	10,981		\$0.9285	\$0.6304	\$4.3252	\$5.8841	\$64,613
Next 16,500	0	0	0		\$0.5571	\$0.2818	\$4.3252	\$5.1641	\$0
Next 33,000	0	0	0		\$0.1857	\$0.1000	\$4.3252	\$4.6109	\$0
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$4.3252	\$4.3252	\$0
DTs - Winter	107,802	0	107,802						
First 1,500	66,621	0	66,621		\$1.1141	\$0.6393	\$4.3252	\$6.0786	\$404,962
Next 1,500	36,625	0	36,625		\$0.7428	\$0.5216	\$4.3252	\$5.5896	\$204,719
Next 7,500	6,804	0	6,804		\$0.5571	\$0.7416	\$4.3252	\$5.6239	\$38,265
Next 16,500	0	0	0		\$0.3714	\$0.2818	\$4.3252	\$4.9784	\$0
Next 33,000	0	0	0		\$0.1857	\$0.0500	\$4.3252	\$4.5609	\$0
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$4.3252	\$4.3252	\$0
DTs - Summer	110,050	0	110,050						
Large General Service - Transportation 213									
Bills	433			433	\$250.00			\$250.00	\$108,250
Demand DTs	89,152			89,152	\$5.0000	\$0.9651	\$0.0000	\$5.9651	\$531,801
Standby DTs				0	\$0.0000	\$12.0161	\$0.0000	\$12.0161	\$0
First 1,500	250,412	0	250,412		\$1.8569	\$0.5416	\$0.0752	\$2.4737	\$619,444
Next 1,500	180,241	0	180,241		\$1.2998	\$0.4316	\$0.0752	\$1.8066	\$325,623
Next 7,500	151,109	0	151,109		\$0.9285	\$0.3382	\$0.0752	\$1.3419	\$202,773
Next 16,500	80,240	0	80,240		\$0.5571	\$0.2777	\$0.0752	\$0.9100	\$73,018
Next 33,000	3,503	0	3,503		\$0.1857	\$0.1000	\$0.0752	\$0.3609	\$1,264
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$0.0752	\$0.0752	\$0
DTs - Winter	665,505	0	665,505						
First 1,500	319,004	0	319,004		\$1.1141	\$0.5692	\$0.0752	\$1.7585	\$560,969
Next 1,500	176,613	0	176,613		\$0.7428	\$0.4574	\$0.0752	\$1.2754	\$225,252
Next 7,500	123,859	0	123,859		\$0.5571	\$0.3843	\$0.0752	\$1.0166	\$125,915
Next 16,500	92,636	0	92,636		\$0.3714	\$0.2446	\$0.0752	\$0.6912	\$64,030
Next 33,000	0	0	0		\$0.1857	\$0.0500	\$0.0752	\$0.3109	\$0
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$0.0752	\$0.0752	\$0
DTs - Summer	712,112	0	712,112						

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2011

PRO FORMA REVENUE CALCULATIONS

(dekatherms)	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (3)	Proforma Bills (4)	Current Margin Rate (5)	Current Demand Rate (6)	Current Commodity Rate (7)	Total Current Rates (8)	Total Proforma Revenue (9)
Rate Schedule									
Interruptible Service - Sales 204									
Bills	185			185	\$250.00			\$250.00	\$46,250
First 1,500	94,267	0	94,267		\$1.8569	\$1.5705	\$4.3252	\$7.7526	\$730,814
Next 1,500	64,150	0	64,150		\$1.2998	\$1.3584	\$4.3252	\$6.9834	\$447,985
Next 7,500	62,301	0	62,301		\$0.9285	\$1.1554	\$4.3252	\$6.4091	\$399,293
Next 16,500	10,605	0	10,605		\$0.5571	\$1.7267	\$4.3252	\$6.6090	\$70,088
Next 33,000	0	0	0		\$0.1857	\$1.0844	\$4.3252	\$5.5953	\$0
Over 60,000	0	0	0		\$0.0000	\$0.4000	\$4.3252	\$4.7252	\$0
DTs - Winter	231,323	0	231,323						
First 1,500	134,116	0	134,116		\$1.1141	\$0.7845	\$4.3252	\$6.2238	\$834,711
Next 1,500	79,691	0	79,691		\$0.7428	\$0.6609	\$4.3252	\$5.7289	\$456,542
Next 7,500	72,211	0	72,211		\$0.5571	\$0.5628	\$4.3252	\$5.4451	\$393,196
Next 16,500	3,683	0	3,683		\$0.3714	\$0.5506	\$4.3252	\$5.2472	\$19,325
Next 33,000	0	0	0		\$0.1857	\$0.2000	\$4.3252	\$4.7109	\$0
Over 60,000	0	0	0		\$0.0000	\$0.1000	\$4.3252	\$4.4252	\$0
DTs - Summer	289,701	0	289,701						
Interruptible Service - Transportation 214									
Bills	620			620	\$250.00			\$250.00	\$155,000
First 1,500	380,993	0	380,993		\$1.8569	\$0.5390	\$0.0752	\$2.4711	\$941,472
Next 1,500	341,163	0	341,163		\$1.2998	\$0.4280	\$0.0752	\$1.8030	\$615,117
Next 7,500	753,900	0	753,900		\$0.9285	\$0.3160	\$0.0752	\$1.3197	\$994,922
Next 16,500	329,865	0	329,865		\$0.5571	\$0.2067	\$0.0752	\$0.8390	\$276,757
Next 33,000	64,126	0	64,126		\$0.1857	\$0.1089	\$0.0752	\$0.3698	\$23,714
Over 60,000	48,656	0	48,656		\$0.0000	\$0.0000	\$0.0752	\$0.0752	\$3,659
DTs - Winter	1,918,703	0	1,918,703						
First 1,500	513,478	0	513,478		\$1.1141	\$0.5674	\$0.0752	\$1.7567	\$902,027
Next 1,500	411,806	0	411,806		\$0.7428	\$0.4493	\$0.0752	\$1.2673	\$521,882
Next 7,500	793,526	0	793,526		\$0.5571	\$0.3331	\$0.0752	\$0.9654	\$766,070
Next 16,500	277,368	0	277,368		\$0.3714	\$0.2156	\$0.0752	\$0.6622	\$183,673
Next 33,000	25,563	0	25,563		\$0.1857	\$0.2528	\$0.0752	\$0.5137	\$13,132
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$0.0752	\$0.0752	\$0
DTs - Summer	2,021,741	0	2,021,741						
TOTAL INDUSTRIAL									
Bills	1,342			1,342					
Demand	103,445			103,445					
DTs	6,056,937	0	6,056,937						
									\$13,281,369
Outdoor Gaslight Service - Rate 205									
Fixtures	48	0	48		\$15.00			\$15.00	\$720
DTs - Winter	16	0	16						
DTs - Summer	22	0	22						
Annual Revenues From Special Contracts									\$ 1,453,582
TOTAL ALL RATE SCHEDULES									
TOTAL BILLS	1,570,465			1,570,465					
TOTAL WINTER DTs	12,328,733	(310,979)	12,017,754						
TOTAL SUMMER DTs	6,388,757	173,987	6,562,744						
ANNUAL TOTAL DTs	18,717,490	(136,992)	18,580,498						
TOTAL SALES DTs	13,399,429	(136,992)	13,262,437						
TOTAL TRANSPORTATION DTs	5,318,061	0	5,318,061						
ANNUAL TOTAL DTs	18,717,490	(136,992)	18,580,498						
								REVENUE \$ 150,007,004	

SCHEDULE 9

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2011

PROPOSED REVENUE CALCULATIONS

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (3)	Proforma Bills (4)	Proposed Margin Rate (5)	Proposed Demand Rate (6)	Proposed Commodity Rate (7)	Total Proposed Rates (8)	Total Proforma Revenue (9)
Residential Service - Value 201									
Bills - Winter	190,534			190,534	\$ 10.00			\$ 10.00	\$1,905,340
Bills - Summer	270,861			270,861	\$ 8.00			\$ 8.00	\$2,166,888
DTs - Winter	2,263,183	(78,617)	2,184,566		\$4.3564	\$0.2223	\$4.3252	\$8.9039	\$19,451,157
DTs - Summer	735,364	46,053	781,417		\$3.8498	\$0.2227	\$4.3252	\$8.3977	\$6,562,106
Residential Service - Standard 221									
Bills - Winter	399,069			399,069	\$ 10.00			\$ 10.00	\$3,990,690
Bills - Summer	542,511			542,511	\$ 8.00			\$ 8.00	\$4,340,088
DTs - Winter	3,543,758	(149,520)	3,394,238		\$4.3564	\$2.2943	\$4.3252	\$10.9759	\$37,254,817
DTs - Summer	679,227	86,621	765,848		\$3.8498	\$2.8113	\$4.3252	\$10.9863	\$8,413,836
<u>TOTAL RESIDENTIAL</u>									
Bills	1,402,975			1,402,975					
DTs	7,221,532	(95,463)	7,126,069						\$84,084,922
Small General Service - Standard 202									
Bills	116,590			116,590	\$ 22.00			\$ 22.00	\$2,564,980
DTs - Winter	1,749,447	(56,050)	1,693,397		\$3.4901	\$2.1083	\$4.3252	\$9.9236	\$16,804,594
DTs - Summer	274,312	24,227	298,539		\$3.3654	\$1.8608	\$4.3252	\$9.5514	\$2,851,465
Small General Service - Value 232									
Bills	48,466			48,466	\$ 22.00			\$ 22.00	\$1,066,252
First 200	1,056,170	(13,458)	1,042,712		\$3.4901	\$1.4803	\$4.3252	\$9.2956	\$9,692,634
Over 200	294,449	(3,752)	290,697		\$3.4901	\$1.1680	\$4.3252	\$8.9833	\$2,611,418
DTs - Winter	1,350,619	(17,210)	1,333,409						
First 200	1,041,720	5,816	1,047,536		\$3.3654	\$0.5997	\$4.3252	\$8.2903	\$8,684,388
Over 200	101,251	565	101,816		\$3.3654	\$0.3152	\$4.3252	\$8.0058	\$815,119
DTs - Summer	1,142,971	6,381	1,149,352						
Medium General Service - Standard 252									
Bills	146			146	\$ 75.00			\$ 75.00	\$10,950
DTs - Winter	88,885	(3,264)	85,621		\$3.4901	\$1.8534	\$4.3252	\$9.6687	\$827,844
DTs - Summer	9,439	6,644	16,083		\$3.3654	\$1.5309	\$4.3252	\$9.2215	\$148,309
Medium General Service - Value 262									
Bills	924			924	\$ 75.00			\$ 75.00	\$69,300
First 500	176,153	(2,729)	173,424		\$3.4901	\$1.1352	\$4.3252	\$8.9505	\$1,552,232
Over 500	231,667	(3,589)	228,078		\$3.4901	\$0.7778	\$4.3252	\$8.5931	\$1,959,897
DTs - Winter	407,820	(6,318)	401,502						
First 500	226,496	2,225	228,721		\$3.3654	\$0.2872	\$4.3252	\$7.9778	\$1,824,690
Over 500	186,951	1,836	188,787		\$3.3654	\$0.0283	\$4.3252	\$7.7189	\$1,457,228
DTs - Summer	413,447	4,061	417,508						

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2011

PROPOSED REVENUE CALCULATIONS

(dekatherms)	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (3)	Proforma Bills (4)	Proposed Margin Rate (5)	Proposed Demand Rate (6)	Proposed Commodity Rate (7)	Total Proposed Rates (8)	Total Proforma Revenue (9)
Rate Schedule									
Small General Service - Motor Fuel 242									
Bills	22			22	\$ 22.00			\$ 22.00	\$484
DTs - Winter	1,672		1,672		\$1.2466	\$1.3790	\$4.3252	\$6.9508	\$11,622
DTs - Summer	371		371		\$1.2466	\$1.0552	\$4.3252	\$6.6270	\$2,459
<u>TOTAL COMMERCIAL</u>									
Bills	166,148			166,148					
DTs	5,438,983	(41,529)	5,397,454						\$52,955,865
Large General Service - Sales 203									
Bills	104			104	\$ 250.00			\$ 250.00	\$26,000
Demand DTs	14,293	0		14,293	\$5.0000	\$12.9812	\$0.0000	\$17.9812	\$257,005
First 1,500	61,725	0	61,725		\$1.8569	\$0.8116	\$4.3252	\$6.9937	\$431,686
Next 1,500	35,096	0	35,096		\$1.2998	\$0.6612	\$4.3252	\$6.2862	\$220,620
Next 7,500	10,981	0	10,981		\$0.9285	\$0.6408	\$4.3252	\$5.8945	\$64,728
Next 16,500	0	0	0		\$0.5571	\$0.2818	\$4.3252	\$5.1641	\$0
Next 33,000	0	0	0		\$0.1857	\$0.1000	\$4.3252	\$4.6109	\$0
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$4.3252	\$4.3252	\$0
DTs - Winter	107,802	0	107,802						
First 1,500	66,621	0	66,621		\$1.1141	\$0.6420	\$4.3252	\$6.0813	\$405,142
Next 1,500	36,625	0	36,625		\$0.7428	\$0.5234	\$4.3252	\$5.5914	\$204,785
Next 7,500	6,804	0	6,804		\$0.5571	\$0.7468	\$4.3252	\$5.6291	\$38,300
Next 16,500	0	0	0		\$0.3714	\$0.2818	\$4.3252	\$4.9784	\$0
Next 33,000	0	0	0		\$0.1857	\$0.0500	\$4.3252	\$4.5609	\$0
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$4.3252	\$4.3252	\$0
DTs - Summer	110,050	0	110,050						
Large General Service - Transportation 213									
Bills	433			433	\$ 250.00			\$ 250.00	\$108,250
Demand DTs	89,152			89,152	\$5.0000	\$0.9651	\$0.0000	\$5.9651	\$531,801
Standby DTs				0	\$0.0000	\$12.0161	\$0.0000	\$12.0161	\$0
First 1,500	250,412	0	250,412		\$1.8569	\$0.5424	\$0.0752	\$2.4745	\$619,644
Next 1,500	180,241	0	180,241		\$1.2998	\$0.4322	\$0.0752	\$1.8072	\$325,732
Next 7,500	151,109	0	151,109		\$0.9285	\$0.3388	\$0.0752	\$1.3425	\$202,864
Next 16,500	80,240	0	80,240		\$0.5571	\$0.2780	\$0.0752	\$0.9103	\$73,042
Next 33,000	3,503	0	3,503		\$0.1857	\$0.1025	\$0.0752	\$0.3634	\$1,273
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$0.0752	\$0.0752	\$0
DTs - Winter	665,505	0	665,505						
First 1,500	319,004	0	319,004		\$1.1141	\$0.5706	\$0.0752	\$1.7599	\$561,415
Next 1,500	176,613	0	176,613		\$0.7428	\$0.4587	\$0.0752	\$1.2767	\$225,482
Next 7,500	123,859	0	123,859		\$0.5571	\$0.3860	\$0.0752	\$1.0183	\$126,126
Next 16,500	92,636	0	92,636		\$0.3714	\$0.2451	\$0.0752	\$0.6917	\$64,076
Next 33,000	0	0	0		\$0.1857	\$0.0500	\$0.0752	\$0.3109	\$0
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$0.0752	\$0.0752	\$0
DTs - Summer	712,112	0	712,112						

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2011

PROPOSED REVENUE CALCULATIONS

(dekatherms)	Test Period Actual	Normalized Adjustment	Proforma Dekatherms	Proforma Bills	Proposed Margin Rate	Proposed Demand Rate	Proposed Commodity Rate	Total Proposed Rates	Total Proforma Revenue
Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Interruptible Service - Sales 204									
Bills	185			185	\$ 250.00			\$ 250.00	\$46,250
First 1,500	94,267	0	94,267		\$1.8569	\$1.5804	\$4.3252	\$7.7625	\$731,748
Next 1,500	64,150	0	64,150		\$1.2998	\$1.3683	\$4.3252	\$6.9933	\$448,620
Next 7,500	62,301	0	62,301		\$0.9285	\$1.1699	\$4.3252	\$6.4236	\$400,197
Next 16,500	10,605	0	10,605		\$0.5571	\$1.7474	\$4.3252	\$6.6297	\$70,308
Next 33,000	0	0	0		\$0.1857	\$1.0844	\$4.3252	\$5.5953	\$0
Over 60,000	0	0	0		\$0.0000	\$0.4000	\$4.3252	\$4.7252	\$0
DTs - Winter	231,323	0	231,323						
First 1,500	134,116	0	134,116		\$1.1141	\$0.7879	\$4.3252	\$6.2272	\$835,167
Next 1,500	79,691	0	79,691		\$0.7428	\$0.6643	\$4.3252	\$5.7323	\$456,813
Next 7,500	72,211	0	72,211		\$0.5571	\$0.5678	\$4.3252	\$5.4501	\$393,557
Next 16,500	3,683	0	3,683		\$0.3714	\$0.5708	\$4.3252	\$5.2674	\$19,400
Next 33,000	0	0	0		\$0.1857	\$0.2000	\$4.3252	\$4.7109	\$0
Over 60,000	0	0	0		\$0.0000	\$0.1000	\$4.3252	\$4.4252	\$0
DTs - Summer	289,701	0	289,701						
Interruptible Service - Transportation 214									
Bills	620			620	\$ 250.00			\$ 250.00	\$155,000
First 1,500	380,993	0	380,993		\$1.8569	\$0.5396	\$0.0752	\$2.4717	\$941,700
Next 1,500	341,163	0	341,163		\$1.2998	\$0.4284	\$0.0752	\$1.8034	\$615,253
Next 7,500	753,900	0	753,900		\$0.9285	\$0.3162	\$0.0752	\$1.3199	\$995,073
Next 16,500	329,865	0	329,865		\$0.5571	\$0.2068	\$0.0752	\$0.8391	\$276,790
Next 33,000	64,126	0	64,126		\$0.1857	\$0.1089	\$0.0752	\$0.3698	\$23,714
Over 60,000	48,656	0	48,656		\$0.0000	\$0.0000	\$0.0752	\$0.0752	\$3,659
DTs - Winter	1,918,703	0	1,918,703						
First 1,500	513,478	0	513,478		\$1.1141	\$0.5685	\$0.0752	\$1.7578	\$902,592
Next 1,500	411,806	0	411,806		\$0.7428	\$0.4501	\$0.0752	\$1.2681	\$522,211
Next 7,500	793,526	0	793,526		\$0.5571	\$0.3336	\$0.0752	\$0.9659	\$766,467
Next 16,500	277,368	0	277,368		\$0.3714	\$0.2159	\$0.0752	\$0.6625	\$183,756
Next 33,000	25,563	0	25,563		\$0.1857	\$0.2530	\$0.0752	\$0.5139	\$13,137
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$0.0752	\$0.0752	\$0
DTs - Summer	2,021,741	0	2,021,741						
TOTAL INDUSTRIAL									
Bills	1,342			1,342					
Demand	103,445			103,445					
DTs	6,056,937	0	6,056,937						
								\$13,289,383	
Outdoor Gaslight Service - Rate 205									
Fixtures	48	0	48		\$ 15.00			\$ 15.00	\$720
DTs - Winter	16	0	16						
DTs - Summer	22	0	22						
Annual Revenues From Special Contracts								\$ 1,453,582	
TOTAL ALL RATE SCHEDULES									
TOTAL BILLS	1,570,465			1,570,465					
TOTAL WINTER DTs	12,328,733	(310,979)	12,017,754						
TOTAL SUMMER DTs	6,388,757	173,987	6,562,744						
ANNUAL TOTAL DTs	18,717,490	(136,992)	18,580,498					REVENUE	\$ 151,784,472
TOTAL SALES DTs	13,399,429	(136,992)	13,262,437						
TRANSPORTATION DTs	5,318,061	0	5,318,061						
ANNUAL TOTAL DTs	18,717,490	(136,992)	18,580,498						

SCHEDULE 10

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2011

WNA Factors

	Base Rate (\$/therms)	Demand (\$/therms)	Commodity	"R" Value (\$/therms)	Heat Factor (therms/DDD)	Base Factor (therms/mo.)
Residential						
Value Rate - 201	0.89039	0.02223	0.43252	0.43564	0.18145	16.57161
Standard Rate - 221	1.09759	0.22943	0.43252	0.43564	0.15007	3.80624
Commercial						
Rate 202 - Std	0.99236	0.21083	0.43252	0.34901	0.63994	0.00000
Rate 232 - Val						
First 2,000 therms	0.92956	0.14803	0.43252	0.34901	0.52525	372.70298
Over 2,000 therms	0.89833	0.11680	0.43252	0.34901	0.52525	372.70298
Rate 252 - Std	0.96687	0.18534	0.43252	0.34901	26.86674	0.00000
Rate 262 - Val						
first 5,000 therms	0.89505	0.11352	0.43252	0.34901	6.04196	7269.14860
over 5,000 therms	0.85931	0.07778	0.43252	0.34901	6.04196	7269.14860

CERTIFICATE OF SERVICE

The undersigned hereby certifies that five copies of the attached Notice are being served this date via email and overnight delivery upon:

Office of Regulatory Staff
C. Lessie Hammonds
Jeffrey M. Nelson
1441 Main Street
Suite 300
Columbia, South Carolina 29201
lhammon@regstaff.sc.gov
jnelson@regstaff.sc.gov

And that one copy of the attached Notice is being served this date on the other parties to this proceeding by U.S. Mail addressed as follows:

Scott Elliott
South Carolina Energy Users Committee
Elliott & Elliott, P.A.
721 Olive Street
Columbia, South Carolina 29205

This the 15th day of June, 2011.

s/ James H. Jeffries IV
James H. Jeffries IV